

# Business Optimization

Optimizing Your Business



Genworth 

154506 02/11/13

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# Agenda

## Introduction

The Business Optimization Goal

## Strategy & Goals

Business Planning

Time Management

Client Management

## NEXT STEPS

# Important Information

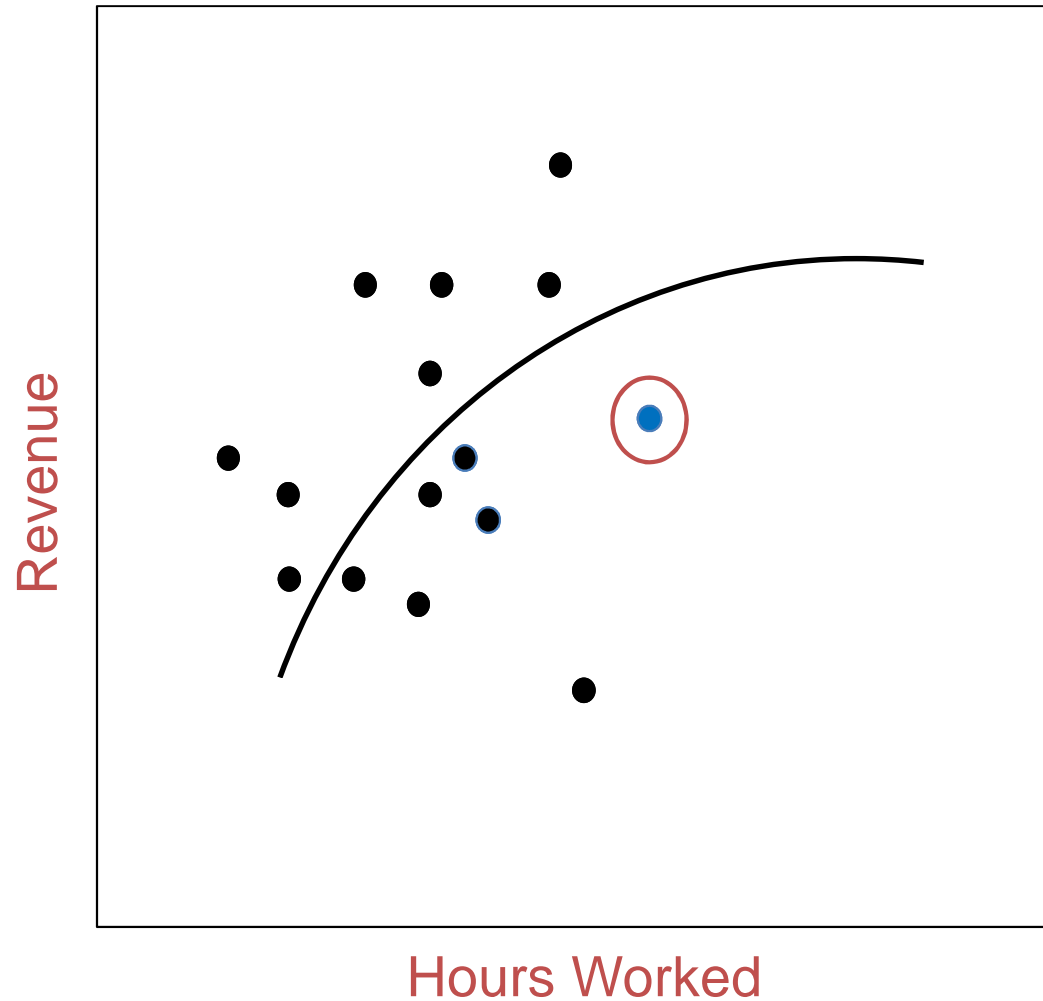
The purpose of the business analysis is to help you understand the impact of your product mix and volume on your revenue. This analysis is not intended to promote the sale of one product over another or replace your suitability review for individual sales.

Remember to always follow your firm's policies and procedures regarding the review and use of 3<sup>rd</sup> party templates, when creating and distributing materials for clients and prospects, hosting client/prospect events or when offering giveaways or prizes.

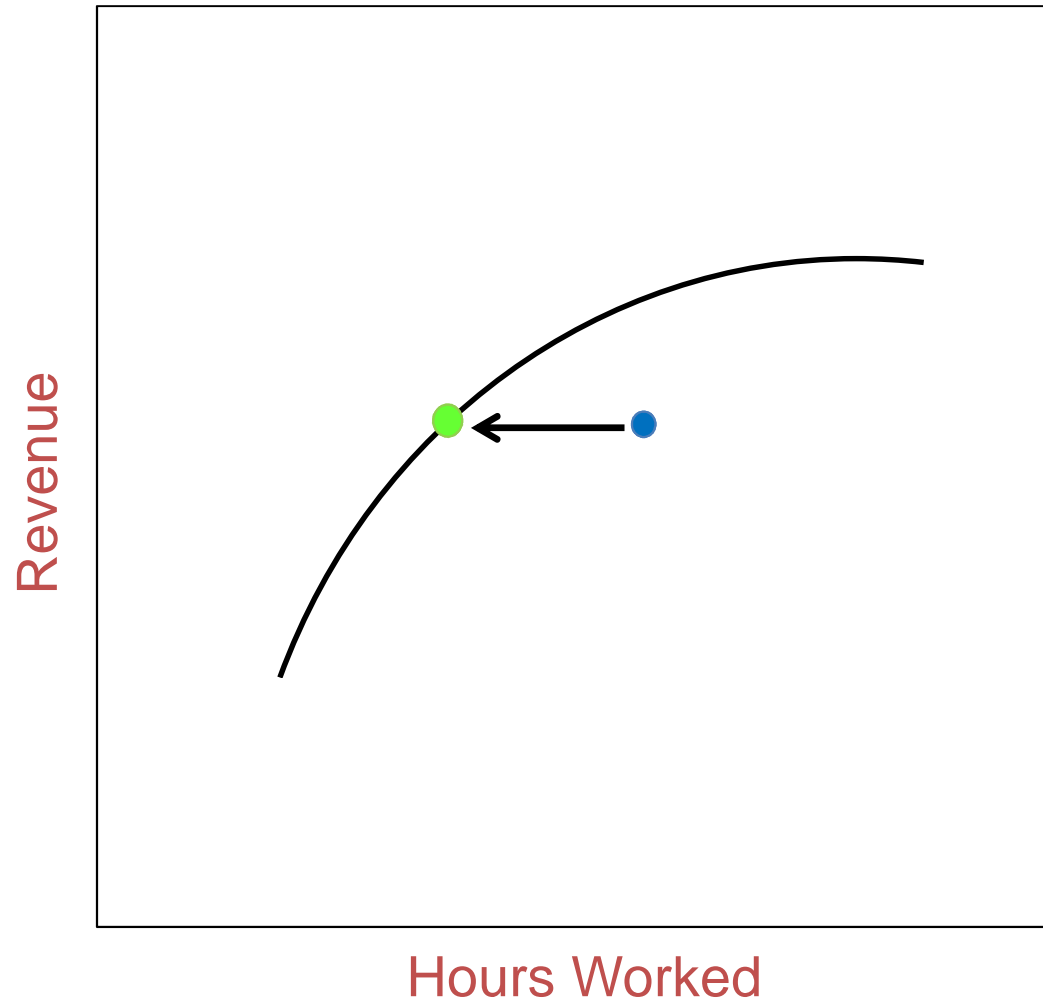


**The Business Optimization Goal**

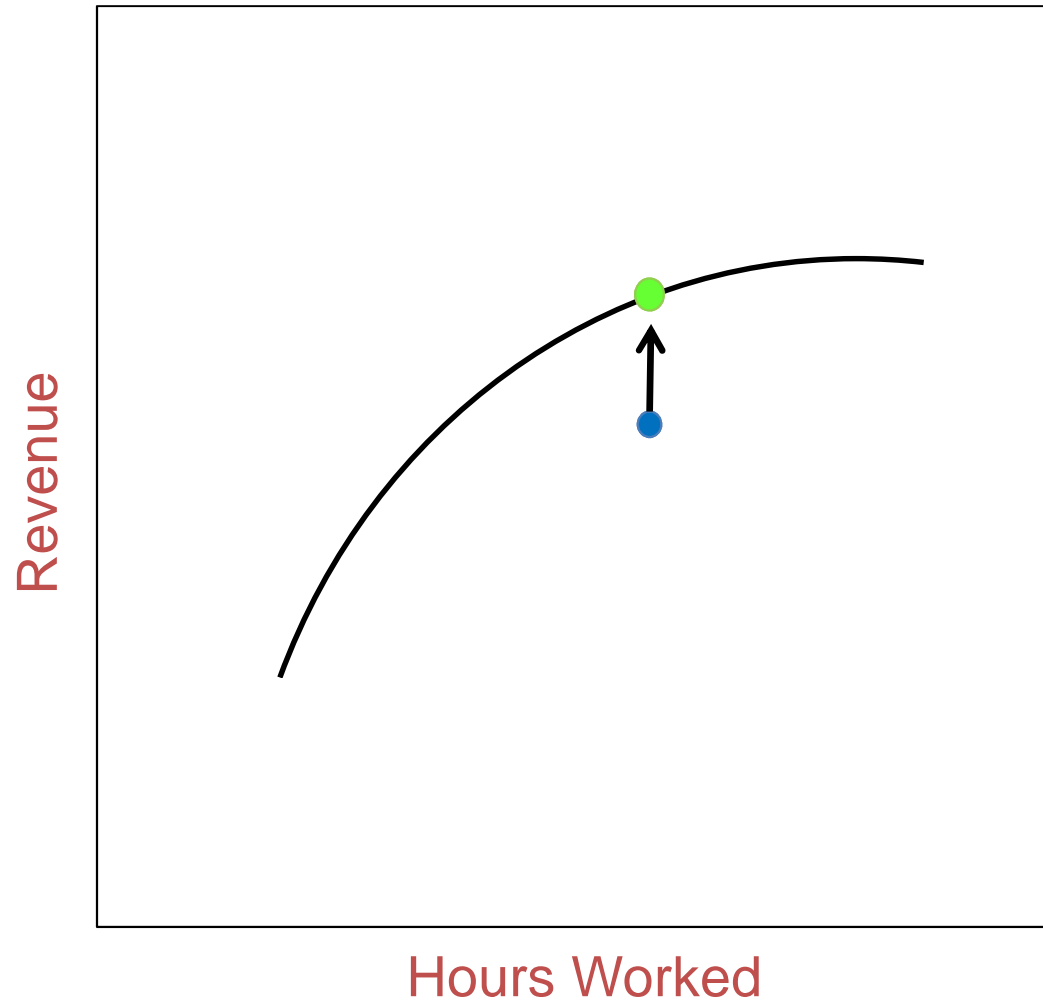
# Business Optimization EFFICIENT FRONTIER



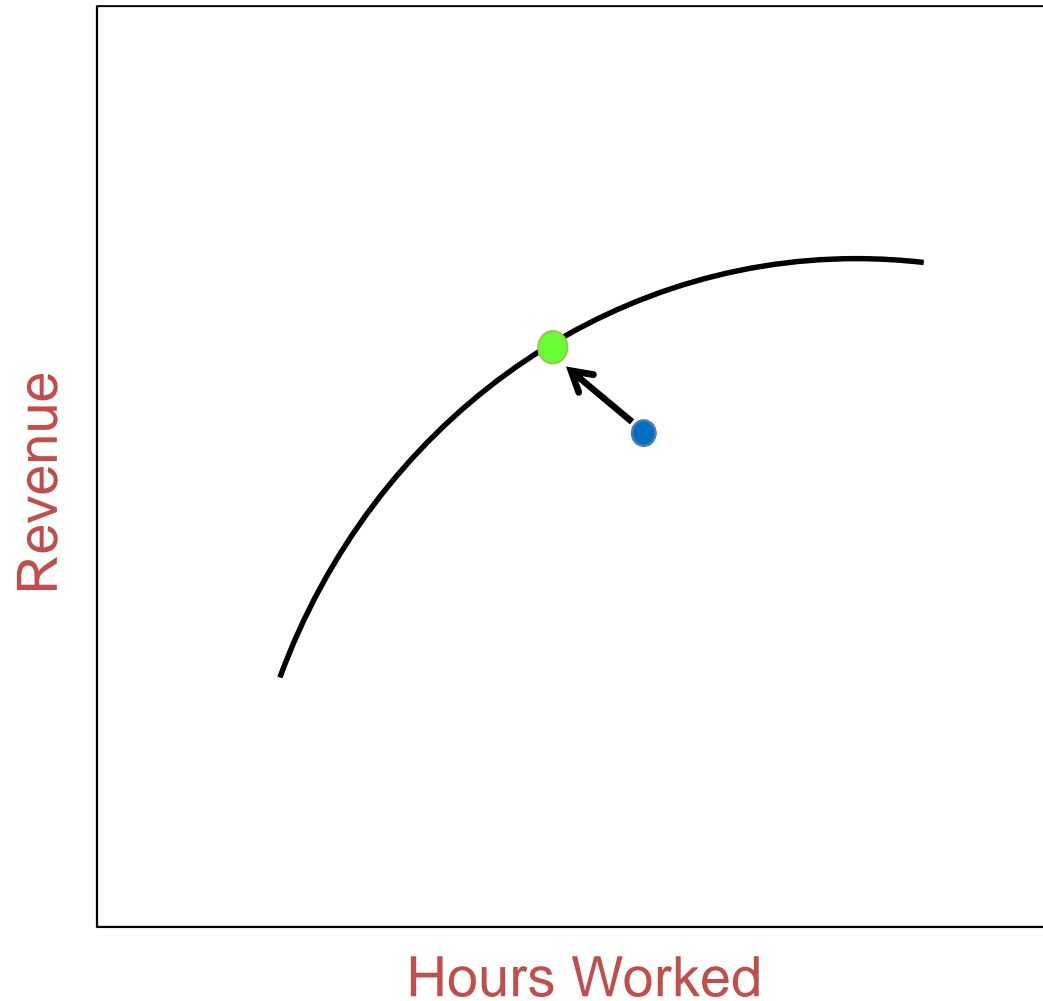
# Business Optimization OPTIMIZE TIME



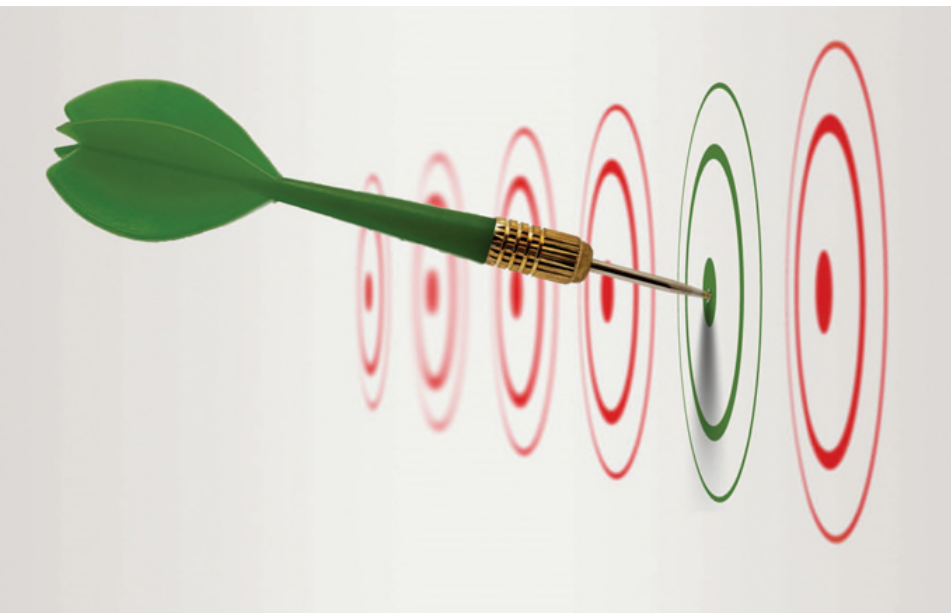
# Business Optimization OPTIMIZE REVENUE



# Business Optimization BUSINESS TRANSFORMATION







## Business Planning

# Strategies & Tools THE IMPORTANCE OF YOUR VISION

A vision statement is the “what” instead of the “why”

It is:

- ✓ A guiding philosophy **and** a tangible image
- ✓ The blueprint of the final result
- ✓ Aspirational

# Strategies & Tools SETTING YOUR VISION

Define & set goals to achieve vision

Develop & map out clear activity plans

Invest time & money to execute plan



*“Good thoughts are no better than good dreams unless they are executed.”*

*Ralph Waldo Emerson*

# Strategies & Tools BUSINESS PLANNING

Do you have a ***business plan***?

Do you have a ***marketing plan***?

Do you have a ***revenue goal***?



# Strategies & Tools GOAL SETTING

## S.M.A.R.T. Goals Defined

**S**pecific: clear and focused

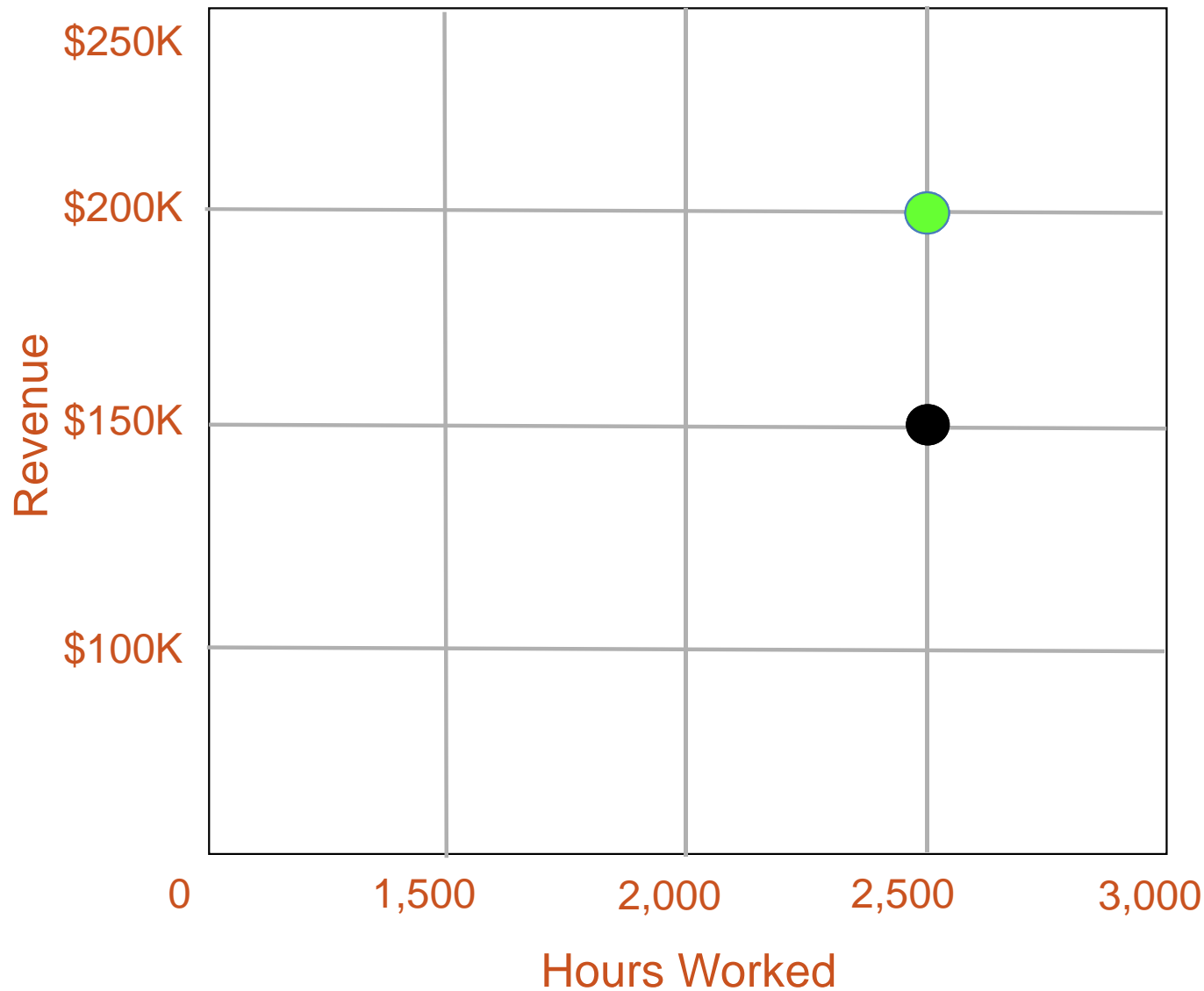
**M**easurable: able to be measured and monitored

**A**ttainable: can you actually get there?

**R**elevant: does this goal support your vision?

**T**imely: with a beginning and an end

# Exercise #1 S.M.A.R.T. GOAL SETTING



In the next 12 months,  
I want to increase my  
appointments set to:

---

In the next 12 months,  
I want to increase my  
applications to:

---

My revenue goal today  
is :

---

My revenue goal in 12  
months is:

---

# Exercise #2 VALUE OF YOUR TIME

## Determine Your Hourly Value

As a benchmark, an hour of my time is worth:

\$250

Today an hour of my time generates:

\$60

Revenue/Hours worked  
\$150,000/2,500

In twelve months an hour of my time will generate:

\$80

Revenue/Hours worked  
\$200,000/2,500

# Strategies & Tools VALUE OF YOUR TIME

## **Your time is your greatest revenue producing asset**

The better you manage and use your time, the greater your:

- Satisfaction
- Service
- Revenue
- Income

Time spent on non-revenue producing activities is time & money lost

Define revenue producing activities and delegate everything else

Most financial professionals do not know the value of their time





# Time Management

# Strategies & Tools THE ASSET OF TIME

## Importance of Time Tracking

“Time is really the only capital that any human being has,  
and the only thing he can’t afford to lose.”

Thomas Edison

# Strategies & Tools TIME & REVENUE

**What percentage of your time is spent on revenue-producing activities?**

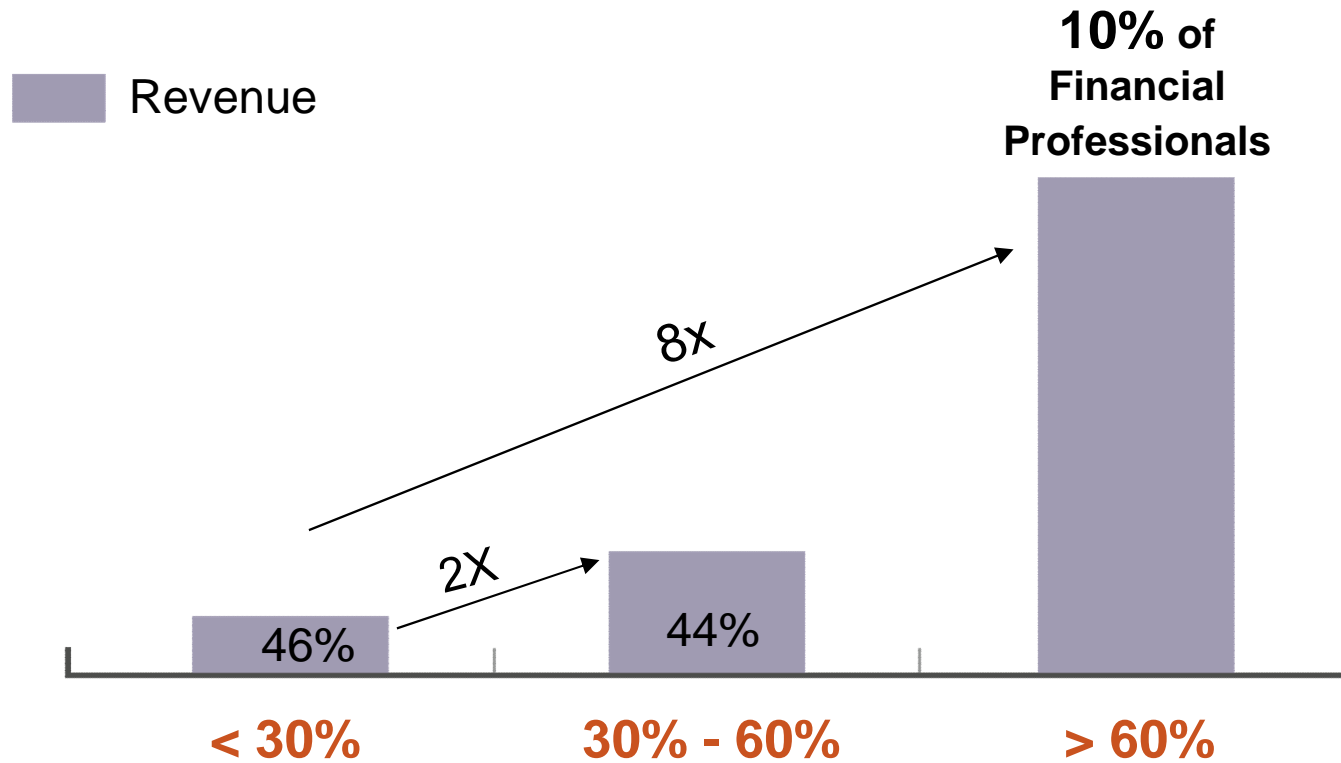
Less than 30%

Between 30% and 60%

Greater than 60%



# Strategies & Tools TIME WITH CLIENTS



## Percentage of Time Spent with Clients

Source: Rydex Advisor Benchmarking Study, Time is Money, June 2005, Viewed 1/24/11

# Exercise # 3 TRACKING YOUR TIME (STEP 1)

Understand how and where time is spent

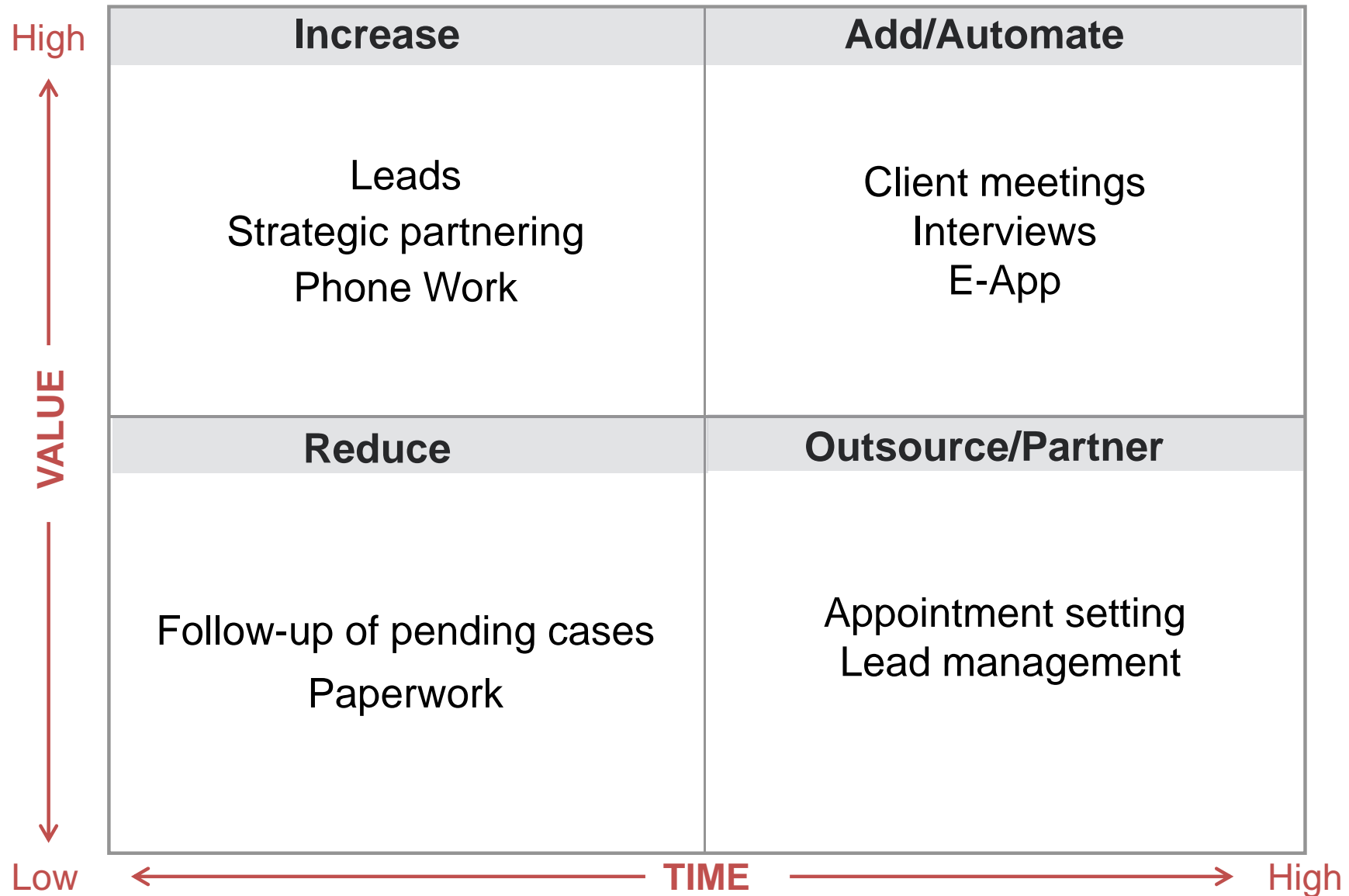
Define tasks

Identify best resources to fulfill tasks

	With a client or prospect? (Y or N)	Notes	Priority level
8:00-8:30			
8:30-9:00	Y	Phone Interview	1
9:00-9:30			
9:30-10:00			
10:00-10:30	Y	Phone Work	2
10:30-11:00			
11:00-11:30			
11:30-12:00			
12:00-12:30	Y	Appointment	1
12:30-1:00			
1:00-1:30			
1:30-2:00	N	Case paperwork	3
2:00-2:30			
2:30-3:00	N	Appointment Prep	2
3:00-3:30			
3:30-4:00	N	Case paperwork	3
4:00-4:30			
4:30-5:00			
5:00-5:30			
5:30-6:00			

# Exercise # 3 TRACKING YOUR TIME (STEP 2)

Freeing Up Time (8 – 20 Most Specific Activities)



# Strategies & Tools THE ART & SCIENCE OF TIME

How much time do you have available per year?

**Time Off:** How many weeks per year do you intend to work?

**Appointments:** How many per week do you schedule?

**Customers:** What is your annual capacity?

**Existing Customers:** How much time do you spend with them?

# Exercise # 4 TIME BANK ANALYSIS

Time is finite

Identify where & how time will be spent

Maximize customer capacity

1. Total # of weeks worked per year:	<u>45</u>
2. Total # of appointments per week:	<u>20</u>
3. Total # of appointments per year:	<u>900</u>
4. Customer touches per year:	<u>4</u>
5. Total customer capacity per year:	<u>225</u>
6. # Customer of existing relationships:	<u>150</u>
7. Total new customer capacity/year:	<u>75</u>
8. Monthly new customer capacity:	<u>6</u>



# Exercise # 4 TIME BANK ANALYSIS

Time is finite

Identify where & how time will be spent

Maximize customer capacity

1. Total # of weeks worked per year: 45

2. Total # of appointments per week: 10

3. Total # of appointments per year: 450

4. Customer touches per year: 2

5. Total customer capacity per year: 225

6. # to review coverage/other needs: 100

7. Total new customer capacity/year: 125

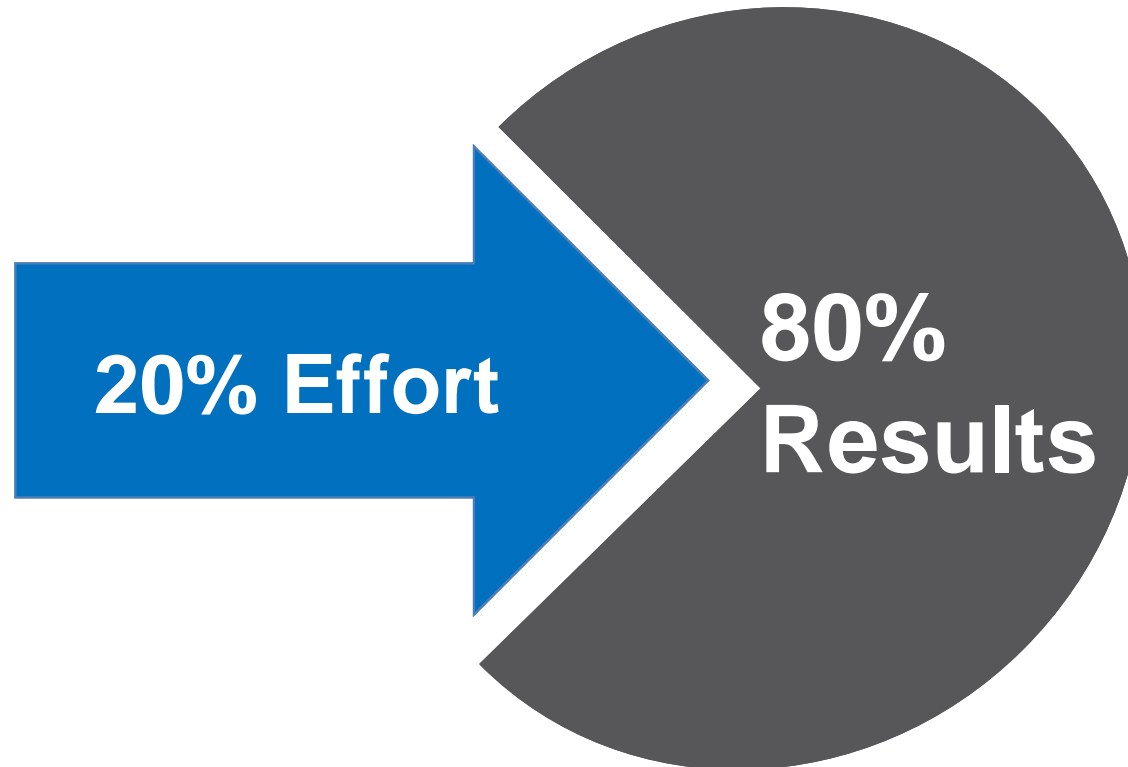
8. Monthly new customer capacity: 10



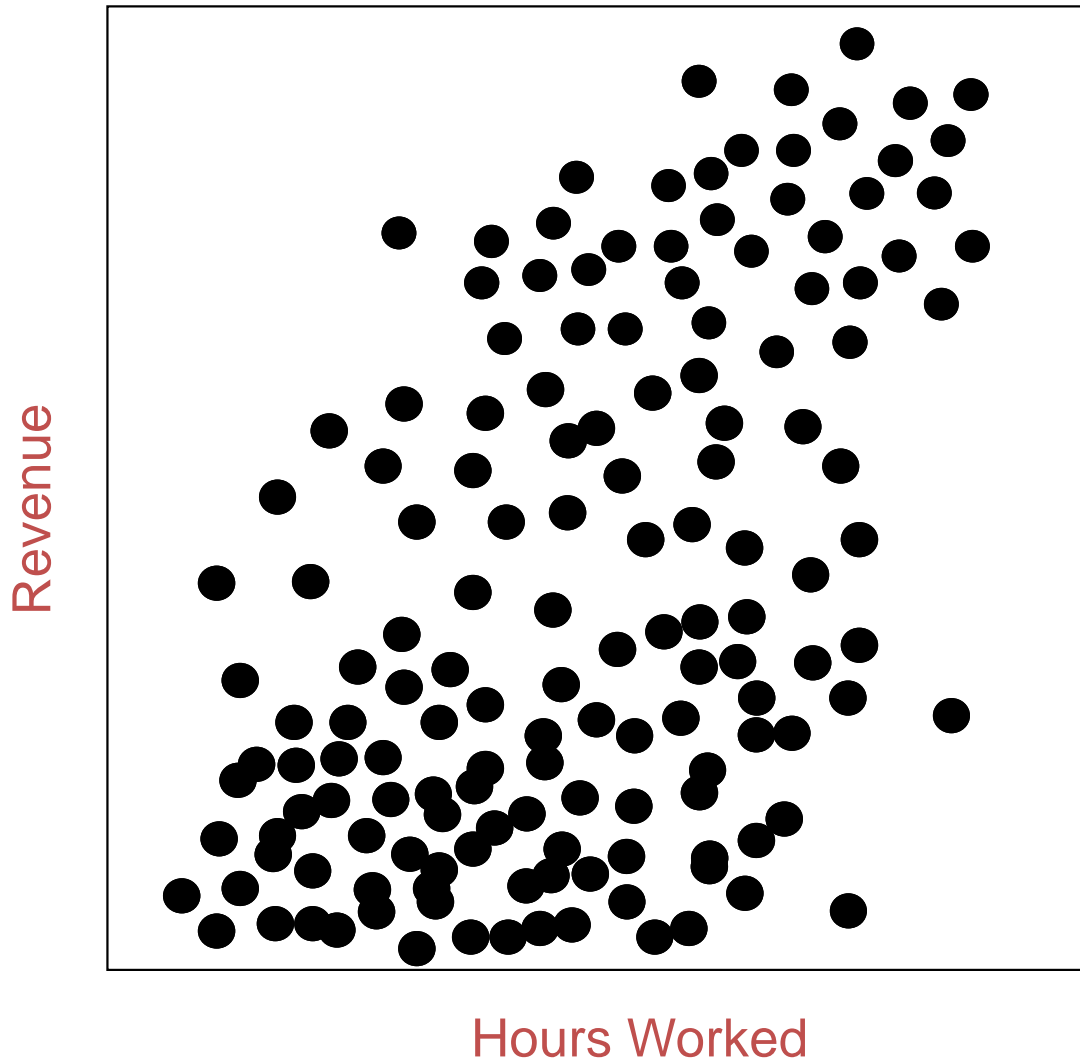
## Client Management

# Strategies & Tools PARETO PRINCIPLE

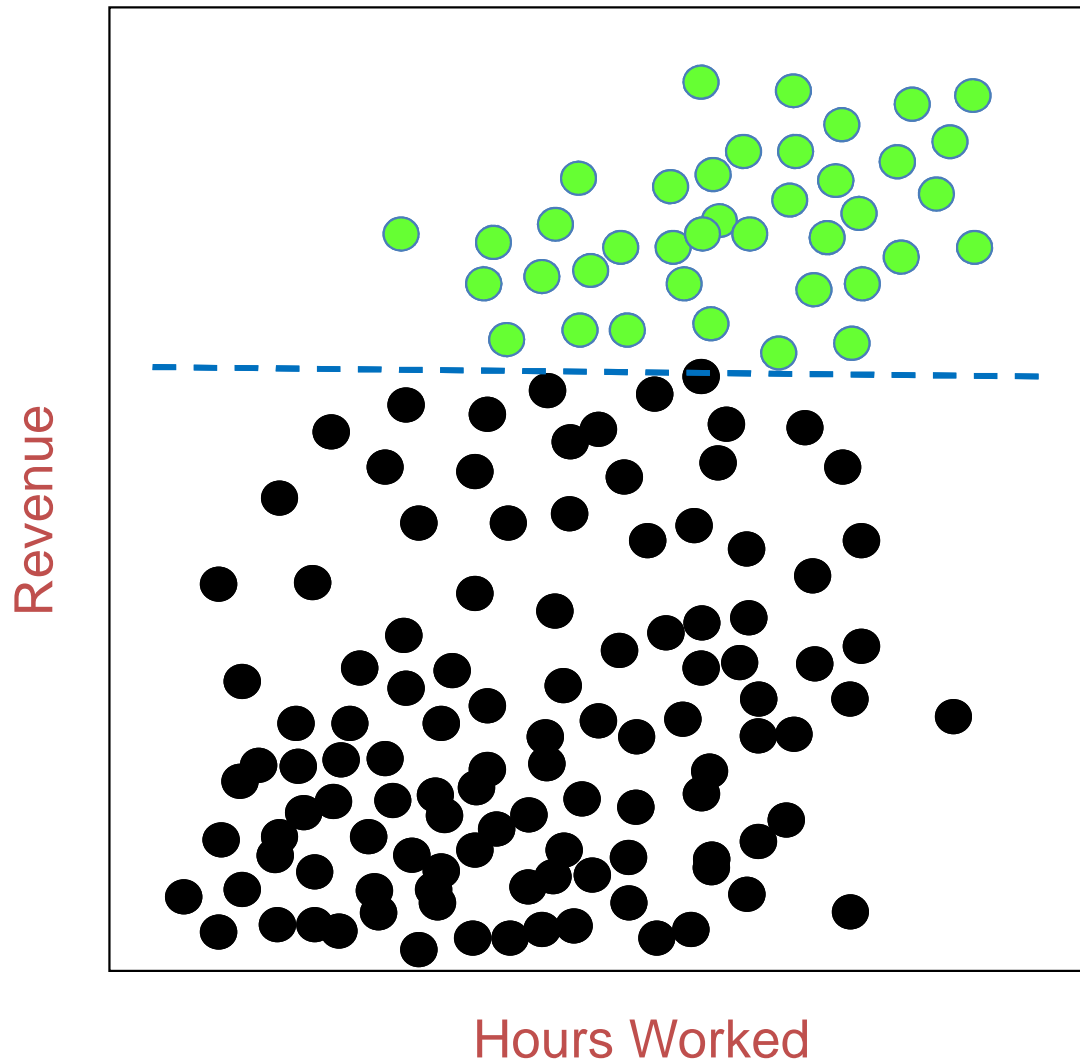
## Quantitative Analysis



# Quantitative Analysis 80/20 RULE

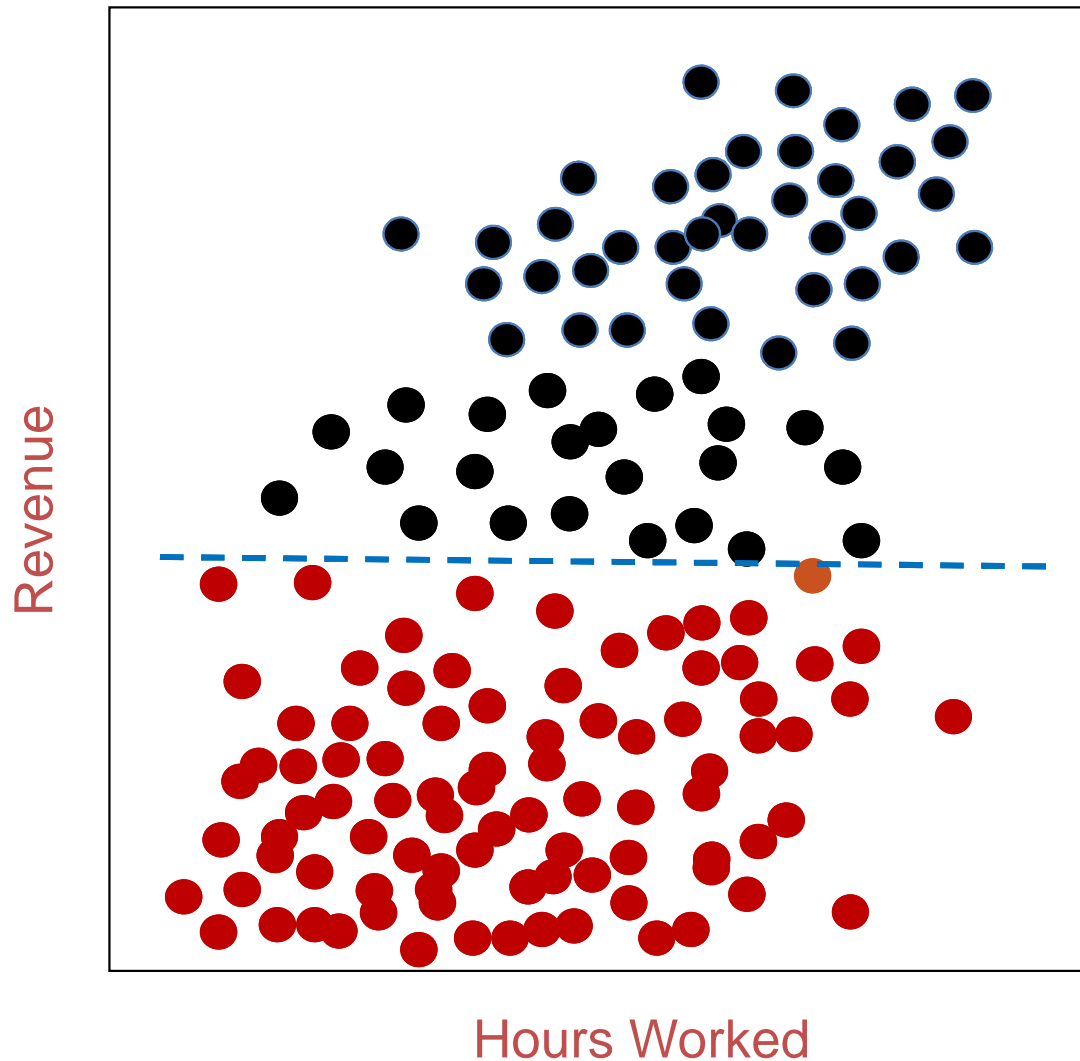


# Quantitative Analysis 80/20 RULE



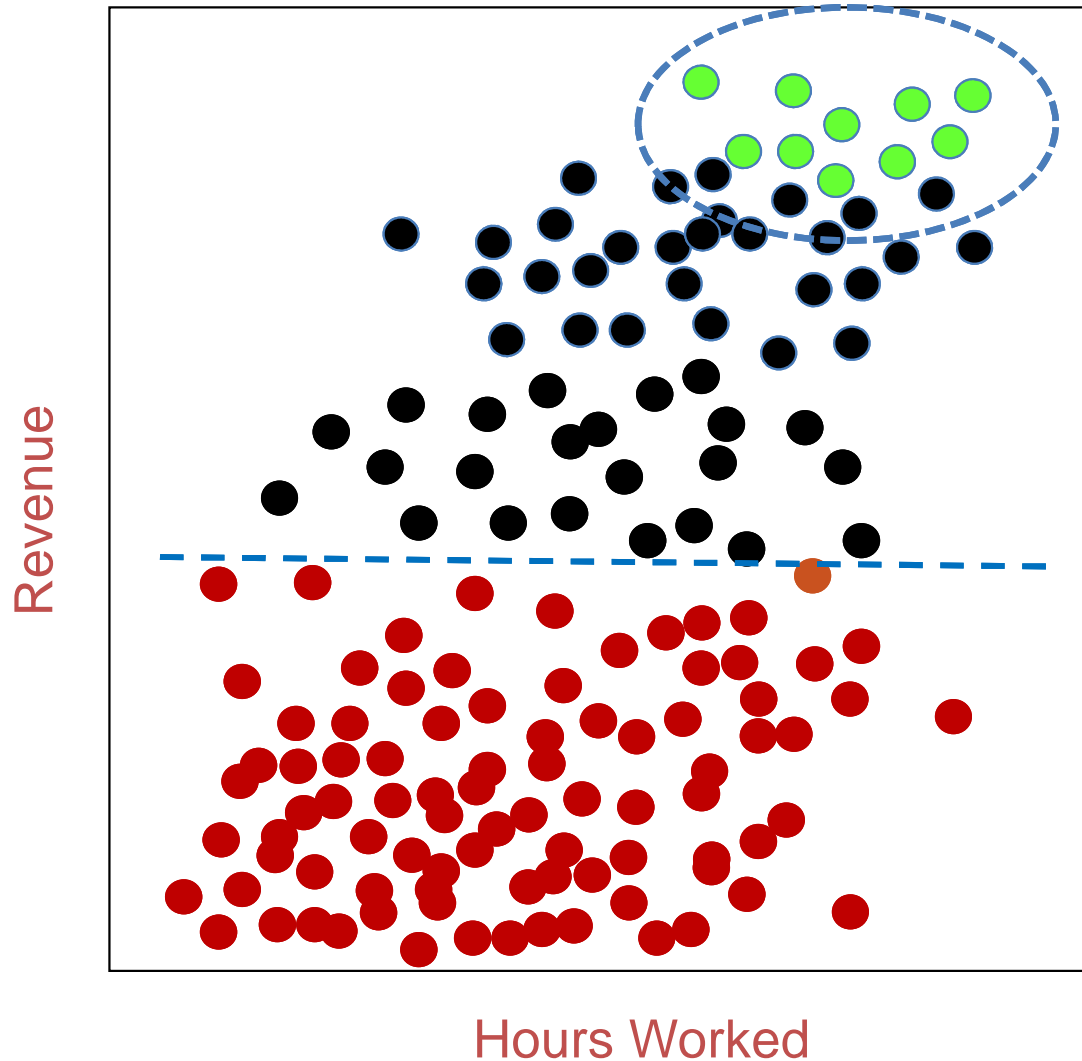
On average, 40 clients will generate 80% of revenues

# Quantitative Analysis 80/20 RULE



On average,  
120 clients will  
generate < 10%  
of revenues

# Quantitative Analysis 80/20 RULE

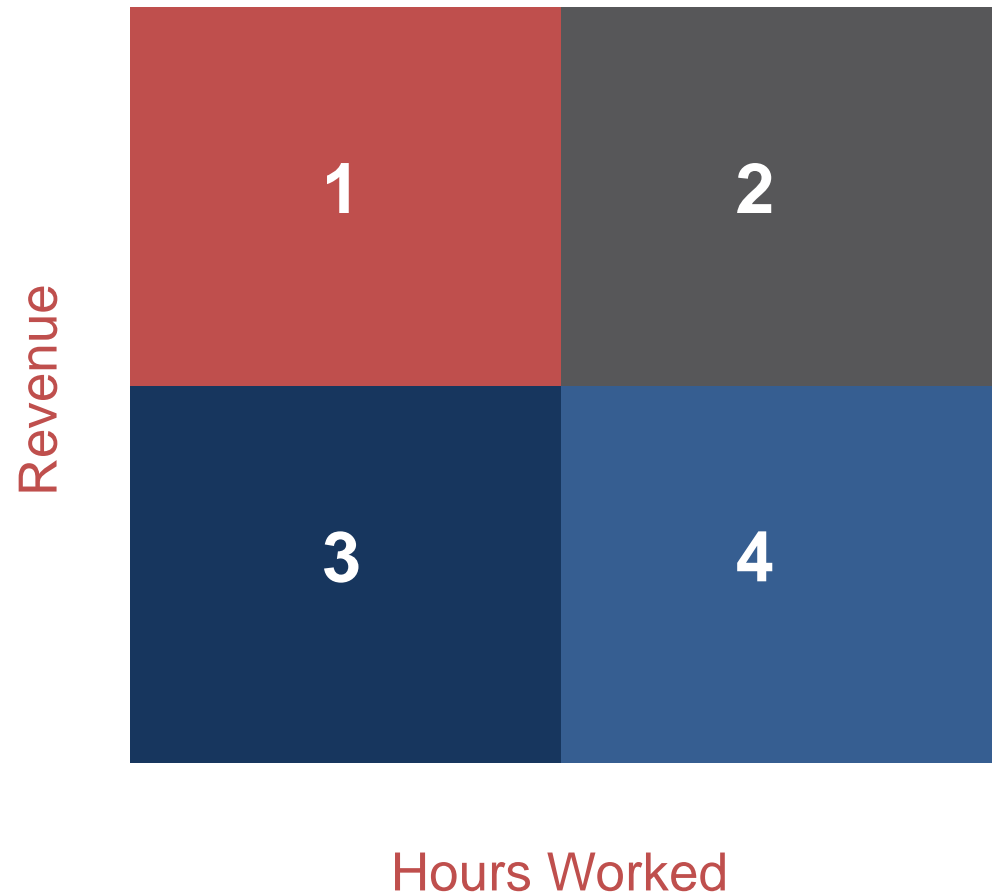


Frequently, 7 -10 clients generate more revenue than the entire bottom 120

# Qualitative Analysis CLIENT MANAGEMENT

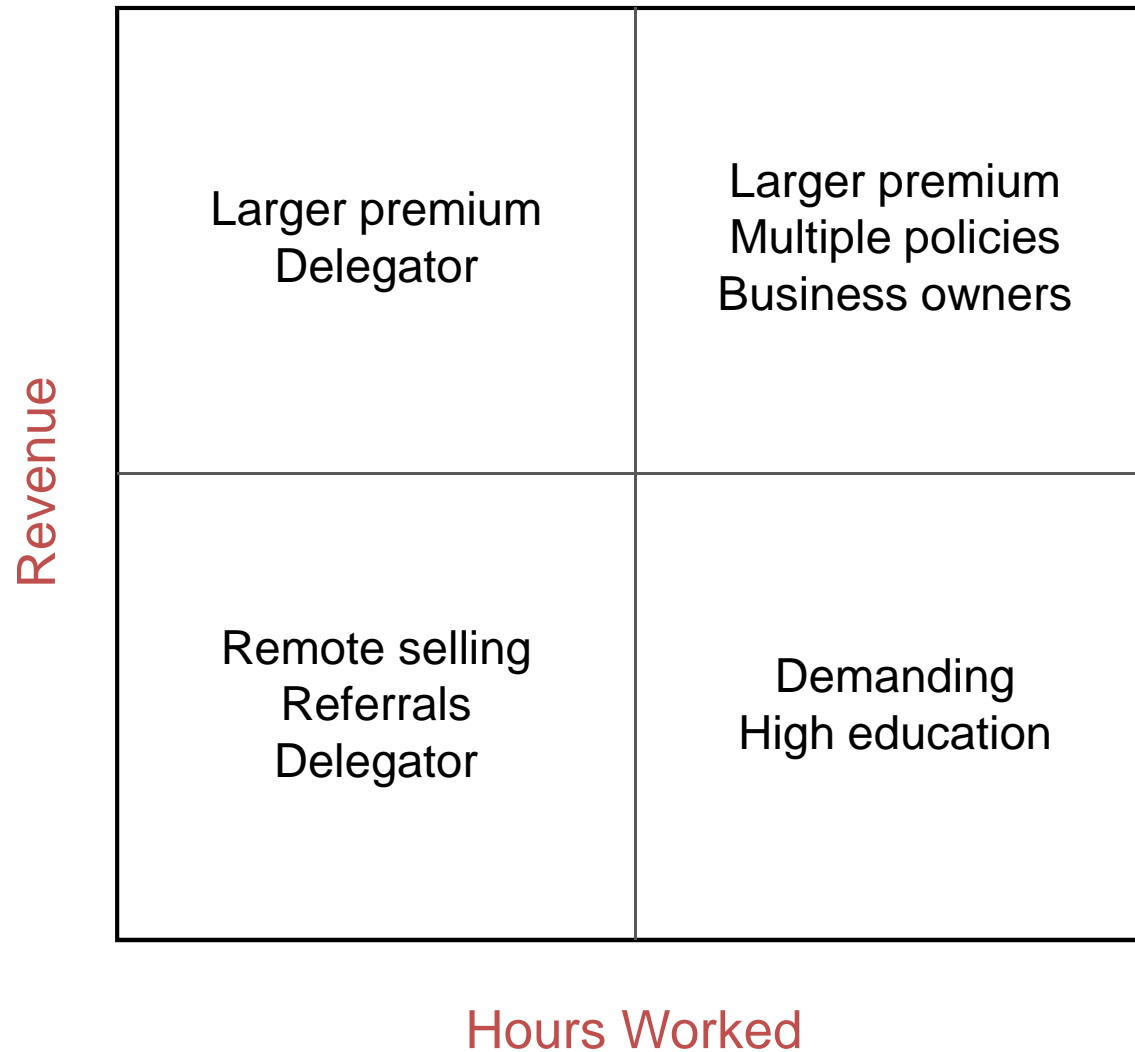
## Four Quadrant Review

## Segmenting

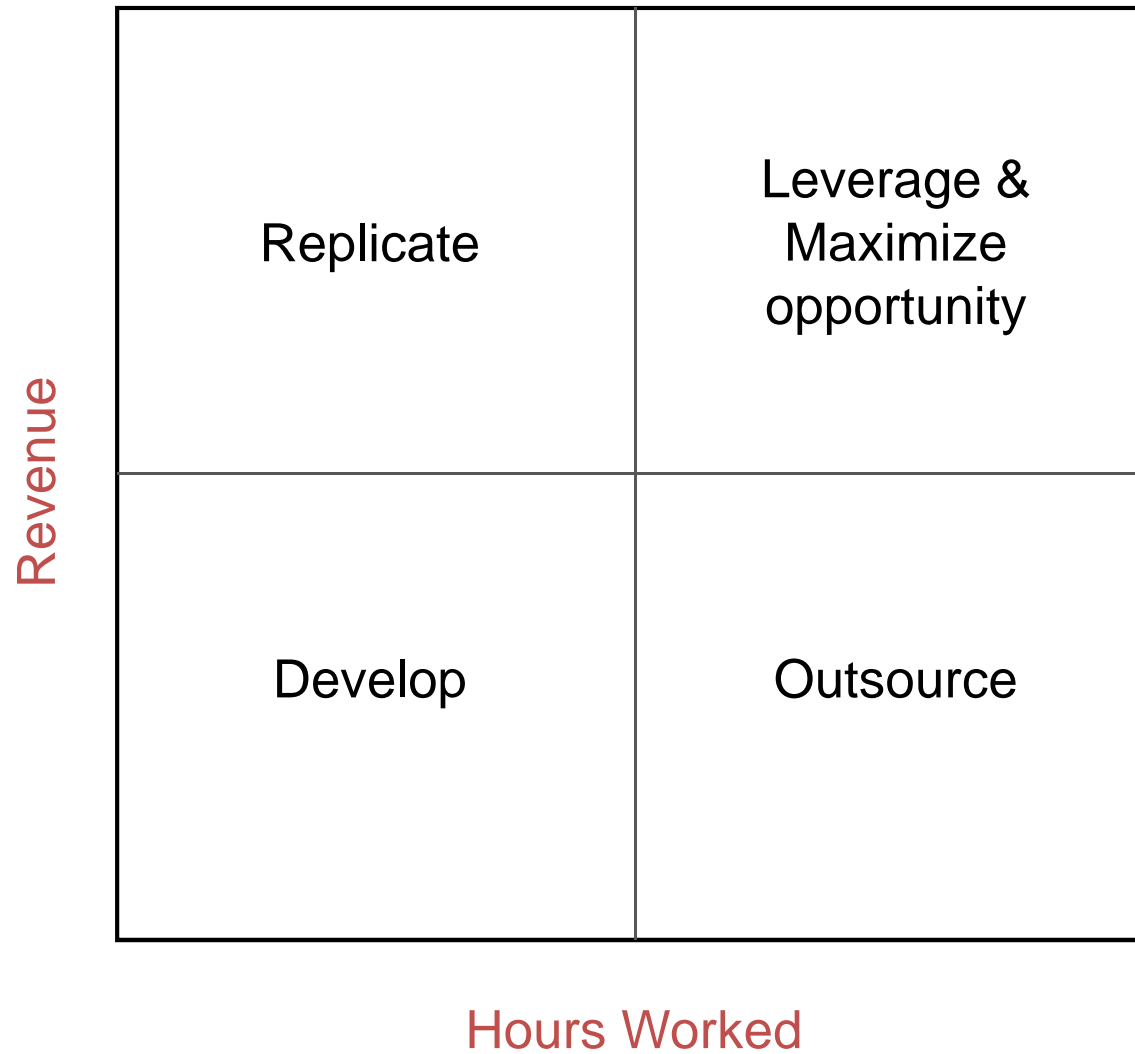




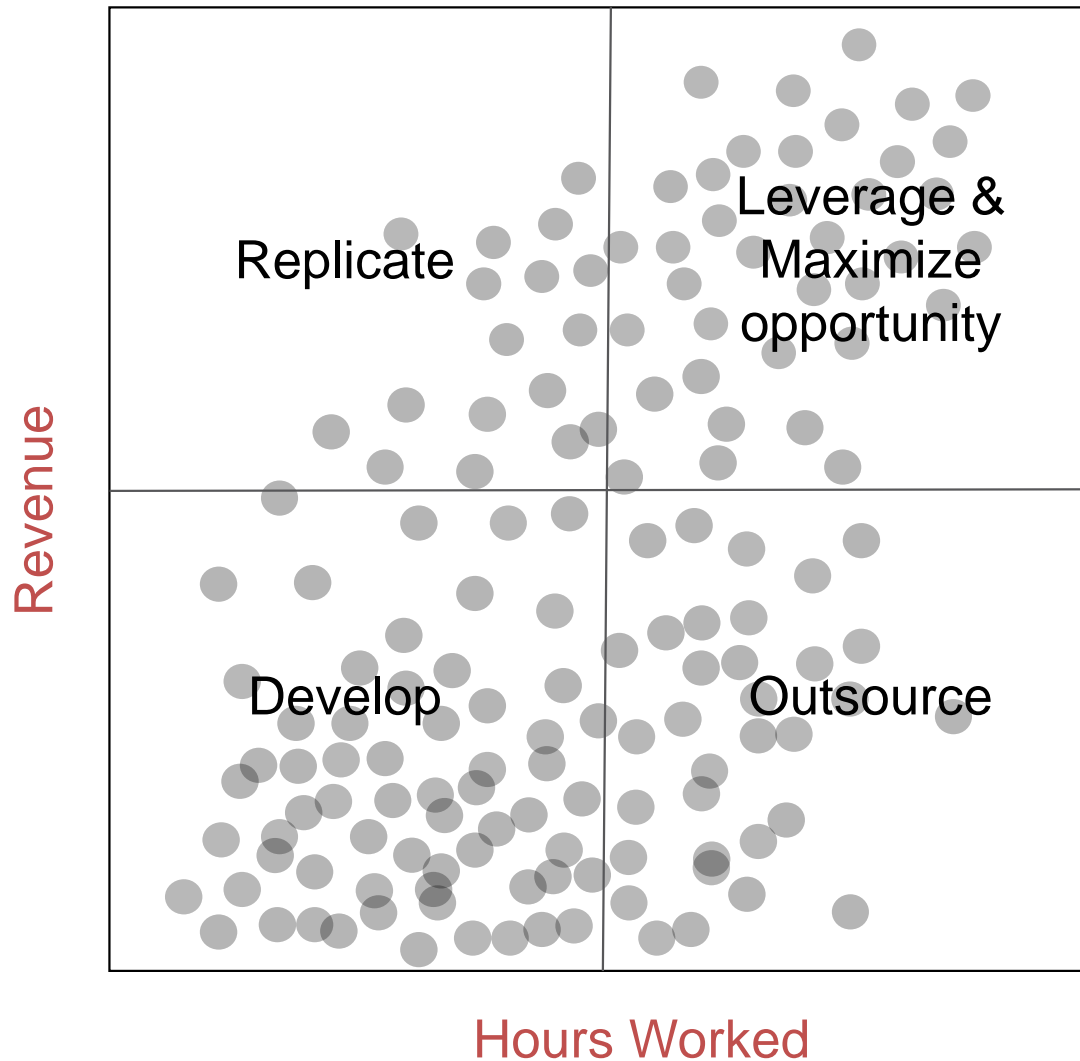
# Qualitative Analysis CLIENT MANAGEMENT



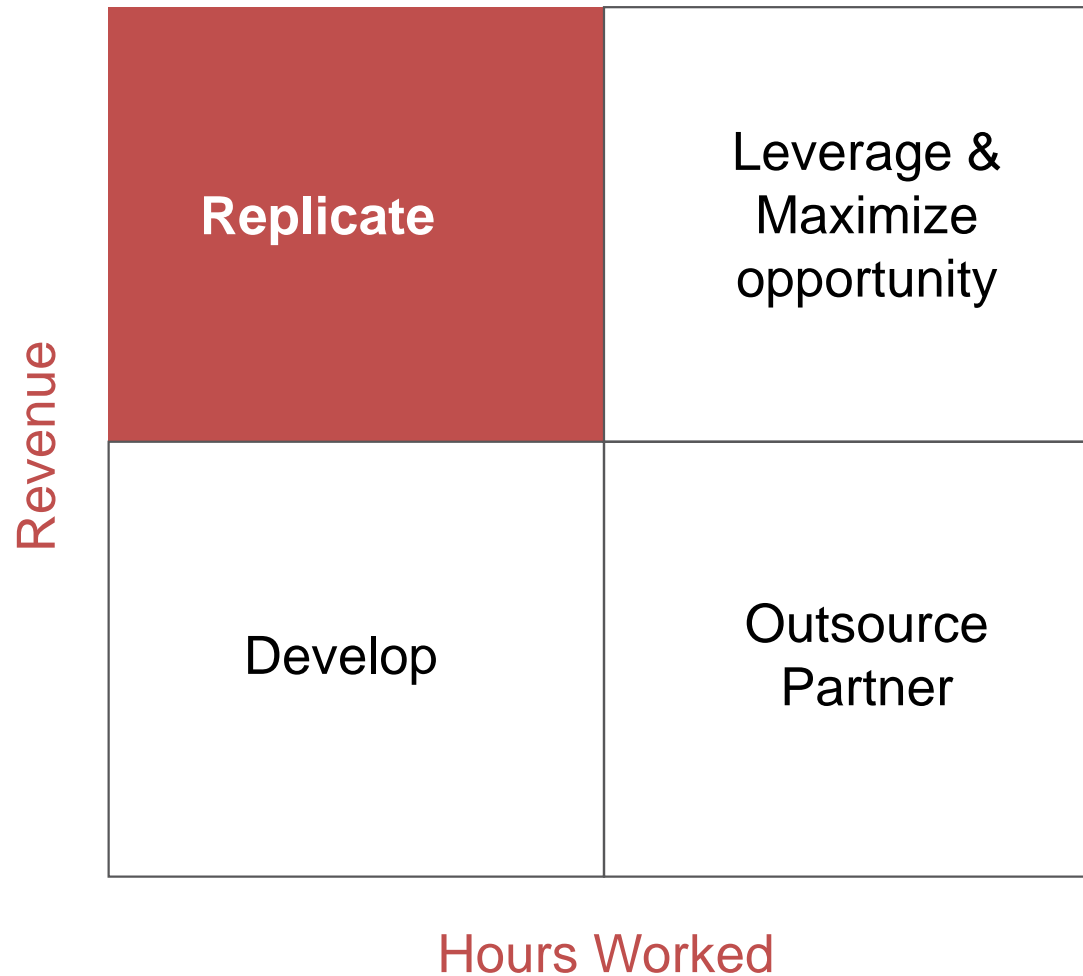
# Qualitative Analysis CLIENT MANAGEMENT



# Quantitative + Qualitative Analysis



# Qualitative Analysis CLIENT MANAGEMENT



# Exercise #5 QUALITATIVE ANALYSIS

## Host Client Centric Marketing Events

Top 10 Clients

Client interests

Event Ideas

Name	Interests

# Client Development MARKETING

Relationship business

Increase time with clients

80/20 Rule: Spend time with best clients



# Client Development EVENT IDEAS



# Client Development MARKETING

Small groups

No product pitch

Client hobby event





# Exercise # 6 HOST MARKETING EVENTS

Set SMART goals

Host 3 client  
centric events

1.	<hr/> <hr/> <hr/>
2.	<hr/> <hr/> <hr/>
3.	<hr/> <hr/> <hr/>



## Next Steps

# Next Steps TAKE ACTION

**1. Develop your vision and set SMART goals**

**2. Pick one tool**

**Implement & track progress for 21 days**

**3. Leverage your [BGA, Genworth RVP, Agency, GA]**

*“Unless you try to do something beyond what you have already mastered, you will never grow.”*

*Ralph Waldo Emerson*

# Q&A

*Thank You*

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